

**AN  
EMPLOYEE'S  
GUIDE  
TO  
REDUCTION IN FORCE**

**U.S. Office of Personnel  
Management**

# INTRODUCTION

This booklet is designed to provide employees with general information about the processes, procedures, programs, benefits, and entitlements involved in Reduction-in-Force (RIF). It does not replace or supplement any regulations, nor, establish policy or procedure but is made available to you for **informational purposes only.**

For specific information, refer to 5 CFR 351, agency regulations, policies, negotiated union agreement(s) (if any) and your local Human Resources Office.

# Contents

## **REDUCTION IN FORCE**

What Is A Reduction In Force? .....	5
Temporary Employees .....	6
How Does RIF Work?.....	6
Competitive Area .....	6
Competitive Level.....	6
Retention Registers .....	7
Tenure .....	7
Veterans' Preference .....	7
Length of Service .....	8
Credit for Performance .....	8
Employees on Temporary Promotion and Details and Grade Retention .....	9
The Retention Register.....	10
Round One RIF Competition: Release from the Competitive Level.....	10
Round Two RIF Competition: Placement in a Different Competitive Level.....	11
Bumping .....	12
Retreating .....	13
Qualification For Assignment .....	14
Range of Assignment Rights .....	15
Representative Rates .....	15
Special Rules .....	16
Summary of the Process .....	17
Preparation and Issuance of Notices .....	17
RIF Appeals.....	19

## **GRADE AND PAY RETENTION**

Grade Retention .....	19
Pay Retention .....	20

## **RETIREMENT**

Optional or Regular Retirement.....	21
Deferred Retirement.....	21
Early Retirement - VERA and DSR .....	21
Voluntary Early Retirement Authority (VERA) .....	21
Discontinued Service Retirement (DSR) .....	22
Annual Leave to Obtain Retirement Benefits.....	22

Retirement and Benefits.....	23
Refund of Retirement Contributions .....	23

### **CAREER TRANSITION**

Career Transition Assistance Program (CTAP) .....	23
Interagency Career Transition Assistance Program (ICTAP) .....	24
Application Process for CTAP/ICTAP .....	25
Reemployment Priority List (RPL) .....	25

### **COMPENSATION**

Voluntary Separation Incentive Pay (VSIP) .....	26
Unemployment Compensation.....	26
Severance Pay.....	27
Sample Severance Pay Calculation .....	28

### **BENEFITS**

Federal Employees Health Benefits Program (FEHBP) .....	29
Federal Employees Life Insurance Program (FELI) .....	29
Annual Leave .....	29
Sick Leave .....	29
Thrift Savings Plan (TSP) .....	29
Flexible Spending Accounts.....	29
Long Term Care Insurance .....	30

## REDUCTION IN FORCE

In the Federal government, layoffs are called Reduction-in-Force or RIF. The word RIF has negative connotation; it also has another side – as a system which determines how employees may compete to stay in the organization when employment reductions are necessary. The RIF process is focused on the rights of employees.

Few acronyms create more anxiety for Federal workers than the term, "RIF." Reduction-in-Force is a complex and disruptive process that usually is avoided whenever possible. It often creates fear, anger, distrust, and misunderstanding. Most employees know some of the terminology and a few concepts of RIF, but have little understanding of the entire process. At the same time, RIF can have a major impact on careers and lives. That being the case, we believe that employees likely to be involved in a RIF want to have some understanding of the rules and procedures.

What follows is a rather lengthy, step-by-step overview of the RIF process. We hope you will use this as a reference and use it to familiarize yourself with the terms and processes.

### ***What is a RIF?***

In the Federal government, Reduction in Force (RIF) is a term that applies to very specific situations. It is a uniform and systematic method used to determine which employees will retain their positions and jobs during periods of work force/workload reductions. A personnel action must be taken under RIF procedures when both the action to be taken and the cause of the action meet the criteria below. An action that meets one but not both is not a RIF action. The criteria are as follows:

<p>a. <b>Action</b> to be taken is employee's release from a <b>competitive level*</b> by:</p> <ul style="list-style-type: none"><li>(1) Separation;</li><li>(2) Demotion;</li><li>(3) Reassignment requiring displacement of another employee; or</li><li>(4) Furlough for more than 30 days.</li></ul> <p><i>*Think of this as the employees current job title, series, and grade and types of duties...</i></p>	<p>b. <b>Cause</b> of the action is:</p> <ul style="list-style-type: none"><li>(1) Lack of work;</li><li>(2) Shortage of funds;</li><li>(3) Insufficient personnel ceiling;</li><li>(4) Reorganization;</li><li>(5) Competitive sourcing;</li><li>(6) An individual's exercise of reemployment rights or restoration rights; or</li><li>(7) Reclassification of an employee's position due to erosion of duties when such action will take effect after an agency has formally announced a reduction in force in the employee's competitive area and when the reduction in force will take effect within 180 days.</li></ul>
--	--

## Temporary Employees

Temporary employees are not subject to RIF procedures and do not compete in a RIF. Temporary employees occupying positions in the same competitive level as positions held by permanent employees must be terminated before the permanent employees are released from their competitive levels. Normally, if an activity is attempting to reduce its overall employment level, temporary employees are terminated before any permanent employees are separated.

---

## How Does RIF Work?

In order to determine how employees will compete with one another for retention, each employee is assigned to a competitive area and then to a competitive level.

---

## Competitive Area

The competitive area describes the grouping of employees that will compete for retention in a RIF. The competitive area may be defined organizationally, geographically, or both. A RIF placement will always be within the your specific competitive area. Some examples of competitive areas would be:

- All ABC Agency employees within Los Angeles county, reporting to the Director of Program Mangement.
  - All ABC Agency employees within the Washington DC metro area, reporting to the Director of Program Mangement.
- 

## Competitive Level

Fundamental to understanding the RIF process is the concept of "competitive level."

Within the competitive area, all positions are grouped into competitive levels. A single competitive level consists of all positions that are in the same classification series, in the

same grade level, and have similar duties, qualification requirements, pay schedules, and working conditions. Positions in the same competitive level are considered essentially interchangeable. That is, the incumbent of one position can readily be reassigned to any other position in the competitive level without undue interruption of the work.

Some examples of competitive levels would be: All GS-318-05, Secretary (Office Automation) positions; or all WG-6907-06 positions; or all WS-7002-06 positions. We group these jobs in the same competitive level because they have the same job series and grade and are similar in duties, qualifications, etc., and are basically interchangeable. We could move a Materials Handler, WG-6907-06, working in Warehouse A to a WG-6907-06 position in Warehouse B and the employee would be able to perform the work with a minimum amount of instruction. Why? Because the positions are essentially identical.

On the other hand, we would place a Supply Technician (Office Automation), GS-2005-05 in a different competitive level than a Supply Technician, GS-2005-05 because the position has different, additional qualification requirements. In this case, the position with "(Office Automation)," requires the ability to use computer equipment and software and type at least 40 words a minute, in addition to supply knowledge. Remember, when we establish competitive levels, we do so on the basis of the requirements of the positions, not the skills of the incumbents.

Separate competitive levels are established for each work schedule (i.e. full-time, part-time, intermittent, seasonal), employees in formally designated training programs (such as Apprenticeship and formal Intern Programs), and employees in the excepted service. Within the excepted service, separate competitive levels are established according to the appointing authority (Veterans Readjustment

Appointments, Handicapped Appointments, Schedule B, etc.).

In any one competitive area, we might have dozens to hundreds of different competitive levels, depending on the different types of jobs. An individual competitive level may consist of only one position (for example, a director of an organization) or dozens of positions (all GS-0318-05 positions), depending on the total number and similarity of jobs in the competitive area.

## Retention Registers

A retention register is a listing, in retention order, of the employees who occupy the positions in a particular competitive level. There is a separate retention register or listing for each competitive level.

Employees are listed on the retention register in order of their RIF retention standing, with the most "senior" at the top. Retention standing is determined by four factors: **tenure, veterans' preference, and length of service**, augmented by credit for **performance**.

## Tenure

Tenure depends upon the type of appointment an employee has. There are three **tenure groups**:

- Group I** Career employees
- Group II** Career Conditional employees
- Group III** Employees on non-status appointments such as term employees.

Persons on **excepted appointments** are divided into similar, but not identical, tenure groups. (Remember, persons on excepted appointments are in different competitive levels than those who are on competitive service appointments.)

- Group I** Permanent employees

**Group II** Employees serving trial period or whose appointments are equivalent to career conditional.

**Group III** Employees with appointments having time limitation of more than one year.

## Veterans' Preference

Within each tenure group, employees are further ranked into **subgroups** based upon **veterans' preference**.

Veterans' preference is based on an employee's military service or based on his/her relationship to a disabled or deceased veteran. **Veterans' preference for RIF is different than veterans' preference for initial appointment purposes.**

For initial appointment purposes, there are seven different types of preference: 5 point; 10 point compensable disability; 10 point 30% or more compensable disability; 10 point spousal; 10 point widow or widower; 10 point mother of deceased veteran; and 10 point mother of disabled veteran.

For RIF purposes, there are only three veterans' preference categories:

- AD** Employees entitled to veterans' preference with a compensable service connected disability of 30% or more.
- A** All other employees entitled to veterans' preference (both 5 and 10 point).
- B** Employees not entitled to veterans' preference (includes non-veterans and veterans not entitled to preference).

Special rules apply to veterans who are retired from the military.

- A. Retired military, below the rank of major (or equivalent), are entitled to veterans' preference for RIF only if they meet one of the following conditions:
  - 1) The retirement is based on a disability that either:
    - a. Resulted from injury or disease received in the line of duty as a direct result of armed conflict, or

- b. Was caused by an instrumentality of war in the line of duty.
- 2) Retirement pay is based on less than 20 years of service.
- 3) Has continuous covered Federal employment since November 30, 1964.

B. Retired military, at the rank of major (or equivalent) or above, are entitled to veterans' preference for RIF only if they are disabled and meet one of the three conditions discussed above for retirees below the rank of major.

Employees Early-out Retirement/Retired military not meeting the above conditions are in **subgroup B**.

The hierarchy of retention groups and subgroups is:

- IAD** Career, 30% or more compensably disabled veteran.
- IA** Career, veterans' preference.
- IB** Career, not entitled to veterans' preference.
- IIAD** Career conditional, 30% or more compensably disabled veteran.
- IIA** Career conditional, veterans' preference.
- IIB** Career conditional, not entitled to veterans' preference.
- IIIAD** etc.

## Length of Service

The length of service is your total years of creditable Federal service (including creditable military time) figured down to the day. We refer to your length of service as your **Service Computation Date (SCD)**.

If you served in the military, you may have two different *SCD* 's - one for leave and one for RIF. The dates will differ when (1) your prior service includes active military service that was not terminated honorably, or (2) you are a military retiree. In the first case, your active duty service is creditable for RIF purposes but not for leave purposes. In the second case, the amount of service credited for each purpose

will vary according to the rank at which you retired and the circumstances of your retirement.

## Credit for Performance

The fourth factor which determines RIF retention is performance. Specifically, your length of service SCD is adjusted for RIF purposes by crediting additional years of service. The number of additional years is based on the three most recent performance ratings received during the four year period prior to the date RIF notices are issued or prior to an earlier, established cutoff date. Additional years of service credit are given for each rating level. The credit for the three appraisals are added together and divided by three, to derive an average. The average (if a fraction, always rounded to the next highest whole number) is subtracted from your actual SCD to produce an adjusted RIF SCD. Appraisal rating levels are credited as follows:

### Five – Level Appraisal System

Outstanding	=	20 years
Exceeds Fully Successful	=	16 years
Fully Successful	=	12 years
Minimally Successful	=	0 years
Unacceptable	=	0 years

Special rules apply to appraisals rendered after October 1997, since many Federal agency activities have switched from a five level appraisal system, such as the above, to a three level system. In this case, credit is given as follows:

### Three – Level Appraisal System

Fully Successful/Pass	=	12 to 20 years
Minimally Successful	=	0 years
Unacceptable	=	0 years

Agencies have the flexibility to give any number of years credit from 12 to 20 years for a Fully Successful rating. Your agency will determine how many years of service credit will be applied. Also, if any employee in the



RIF competitive area was rated on other than a 3 level system (e.g., a 5 level system), than all ratings of Fully Successful and above will be evaluated and defined by your agency.

**EXAMPLE:**

Your agency has defined your Fully Successful or Pass appraisal to equal 12 years of credit. Here is an example of how the RIF Adjusted Service Computation Date is computed:

Your actual SCD is 10-16-80

The last three appraisals you received during the last four years were as follows:

- (a) Pass
- (b) Pass
- (c) Pass

Credit for the appraisals is as follows:

- (a) Pass = 12 years.
- (b) Pass = 12 years.
- (c) Pass = 12 years.

Credit is computed as follows:

12 years + 12 years + 12 years = 36 years.

36 years/3 appraisals = 12 years of additional service credit.

Your 12 years credit is subtracted from your actual SCD:

10-16-80
-12

Yours Adjusted RIF SCD is: 10-16-68

**EXAMPLE:**

Your agency has defined your Fully Successful or Pass appraisal to equal 12 years of credit. John transferred from a 5-level system two years ago. Here is an example of how the RIF Adjusted Service Computation Date is computed:

John's actual SCD is 10-16-80

The last three appraisals John received during the last four years were as follows:

- (a) Pass

(b) Pass

(c) Pass

Credit for the appraisals is as follows:

- (a) Pass = 12 years
- (b) Highly Successful = 12 years
- (c) Highly Successful = 12 years

Credit is computed as follows:

12 years + 12 years + 12 years = 36 years.

36 years/3 appraisals = 12 years of additional service credit.

Your 12 years credit is subtracted from your actual SCD:

10-16-80
-12

Yours Adjusted RIF SCD is: 10-16-68

**Note** – when there is more than one rating pattern or a mixed rating pattern in the competitive area, credit for appraisals may vary depending on the number of employees and patterns involved. The above is one possible example. Your agency will define credit for performance prior to running the RIF.

An employee who has received at least one but fewer than three ratings during the four-year period, receives credit based on the value of the actual ratings divided by the number of actual ratings. For example, if the employee only received two actual ratings, credit for the two are added and divided by two, and the SCD adjusted accordingly.

An employee who has no actual ratings during the four-year period receives credit based on the "modal" or most frequently assigned rating in the competitive area.

## Employees on Temporary Promotion and Details & Grade Retention

Employees on a temporary promotion or on a detail do not compete in a RIF at the grade to

which they are temporarily assigned. Rather, they compete for retention in the competitive level of their permanent position. For example, if a GS-09 employee is temporarily promoted to a GS-11 position, the employee will be listed on the retention register as a GS-09. Similarly, employees on grade retention do not compete at their retained grade. Rather they compete at the grade level to which they were demoted. As an example, an employee on a GS-05 position with a GS-06 retained grade competes in RIF at the GS-05 level.

## The Retention Register

Now that we have covered the four factors which determine RIF retention standing, let us return to the retention register and see how employees would be listed on a register for Supply Technician, GS-2005-05:

### **Supply Technician, GS-2005-05, cl.001**

Tenure	Adj. RIF SCD	Name	Org.
I AD	02-01-85	Bill	G
I A	11-24-84	Mike	L
I A	11-25-84	Sally	O
I B	04-25-79	Jill	L
II AD	10-30-79	Sam	L

Note the following about the retention register:

- The career employees (I), regardless of veteran preference or length of service, have higher retention and are listed toward the top of the register.
- Among the IA's, Mike has one more day of service than Sally and is, therefore, listed first.
- Jill has more service than any other career employee, yet she has the least retention among them, since she is a non-veteran.
- Note that all the Supply Technician, GS-2005-05, jobs are in the same

competitive level (cl.001), regardless of the organization to which assigned. This is because all these positions have the same series and grade level, and are similar in duties, qualifications, pay schedules, and working conditions.

- Employees' retention standing is based on their status as of the effective date of the RIF and that is how they are listed on the retention register. In the example above, for instance, if Sam was going to acquire career tenure before the effective date of the RIF, he would be listed as a tenure group I on the register.

Every position in the competitive area is assigned to a competitive level, and all employees assigned to the positions are listed in retention order. In some cases there may be only one employee in a particular competitive level and in other cases, dozens.

## **Round 1 RIF Competition:** **Release from the Competitive Level**

The RIF process begins when one or more positions are abolished. This can be caused by a variety of different situations. Some of the more common are a manpower reduction, a restructuring of the work resulting in the same work being performed by different types of positions, and a reorganization resulting in old organizations disappearing and new ones being created.

From a practical standpoint, once the preparatory work has been concluded, the new organizational structure has been finalized, and the new positions classified, the first order of business is to determine which positions are being abolished. Often, this involves comparing on a position by position basis the old organization and the new. Next we will examine the effect of abolishing positions in a competitive level, using a Supply Technician, GS-2005-06 competitive level as an example.

### Supply Technician, GS-2005-06, cl.001

Tenure	Adj. RIF SCD	Name	Org.
I AD	02-01-85	Bill	G
I A	07-24-83	Mike	H
		Abolish, displace Tom	
I A	09-23-84	Sally	O
		Tom	O
I A	09-24-84	Displaced by Mike. Release from CL	

If Mike's position in H is abolished, then Mike is excess and action to place him is required. One option would be to reassign him to a vacant Supply Technician, GS-2005-06 (in the same comp level) position for which he qualifies. If there were such a vacant position available, Mike would no longer be excess and we would not need to proceed with the RIF process. If, for some reason, we could not place Mike in a vacant position at his current grade level, we would proceed with **round one RIF competition**. That is, competition to see who remains and who is released from the competitive level.

Since one position is being abolished in this competitive level, one employee must be released from it. In this example, Tom has the lowest retention standing. Mike would be reassigned to Tom's position in O and Tom would be released from the competitive level. We say that Tom has been "reached for RIF." Although Mike has taken Tom's position, his relative location in the competitive level does not change since his retention status remains the same: he is a IA, with an adjusted RIF SCD of 07-24-83.

If more positions were abolished in the competitive level, then more reassignments would occur and employees would be released from the competitive level in the inverse order

of their seniority. Within a competitive area, there will likely be competitive levels with no positions abolished, levels with one or more positions abolished, and some competitive levels with all positions abolished. When all positions in a competitive level are abolished, obviously, there is no round one competition.

### Round 2 RIF Competition: Placement in a Different Competitive Level

Once round one competition is completed in each competitive level where a position was abolished, employees who were released from their competitive level compete in **round two RIF competition**. Round two involves determining if each employee separated from his/her competitive level has an assignment right to a position in another competitive level. You could be assigned to another position in a RIF if offered a vacancy or by displacing another employee.

#### **IMPORTANT NOTE**

It is important to note that placements cannot be interchanged from the competitive service to the excepted service and vice versa. Competitive service employees only compete with other competitive service employees and can only be placed in other competitive service positions. The same is true with excepted service positions. Also, placements cannot be made to different work schedules. Competitive full time employees compete with other competitive full time employees. The same is true with each work schedule and excepted service positions.

Employees may displace other employees from positions in one of two ways: either by a **"bump"** or by a **"retreat."** These are discussed in detail below. However, first there are several other conditions to understand and

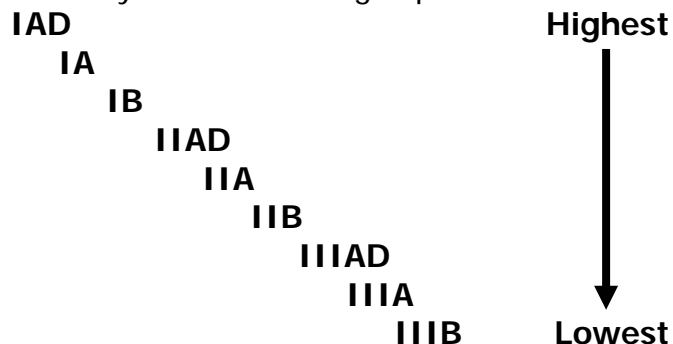
these must be met before a RIF job offer of any kind can be made.

- a) Employees do not have unlimited rights to be placed in a RIF. Normally, you will only be offered a position which is not more than three grades or three grade intervals below your present grade. (This is discussed below in more detail.) You also will not be given a RIF offer of a higher grade than your present grade. RIF is not a promotion program. Employees compete only for positions at their present grade and lower - never for a higher grade.
- b) Employees must qualify for the position offered. RIF qualification requirements are discussed below.
- c) The position must be in the competitive area. You will not be offered a position in RIF that is outside your competitive area.
- d) The position must have the same work schedule (full or part-time) as your present position. You will not be offered a part-time position if you are a full-time employee and vice versa. However, if no offer could be made to you and you were going to be separated, you could be offered a part-time vacant position in lieu of separation.
- e) Employees are entitled to the **best offer** possible in a RIF. The best offer is a position that requires no reduction or the least possible reduction in representative rate. (More about this later also. Think of it as a job which is as close to your present grade as possible.) Employees are entitled to only one offer in a RIF. If that offer is declined, the employee may be separated. However, whether an offer is declined or not, if it becomes possible to make a better offer to an employee during the RIF notice period, the better offer will be made. You do not however, get a choice in a RIF offer. If

you could be offered either of two different positions, you do not get to choose which one you want.

## Bumping

Keeping all of the above in mind, let's examine what a bump is. A **bump** is the displacement of another employee in a lower retention tenure and/or subgroup. Remember the hierarchy of retention subgroups is:



Locate where you fall in this hierarchy. You can bump into any tenure group or subgroup below yours. An employee in tenure subgroup IAD can bump any employee in subgroups IA and IB and any group II employee. A IA can bump a IB or a group II. A IB can bump any group II employee. A IIAD can bump a IIA or a IIB, etc.

Some things to keep in mind about bumping:

- a) Employees in group IAD can never be bumped because IAD is the highest retention subgroup. Only employees in lower retention subgroups can be bumped.
- b) Employees who bump are not required to have previously done the job occupied by the bumped employee. However, employees must fully meet the qualification requirements for the position.
- c) Employees can bump into positions at the same grade level as their own position. For example, a person whose GS-05 Secretary position was abolished and who was released from his/her competitive level, could bump an

employee in a GS-05 Supply Technician position.

- d) Employees can only bump into positions that are no more three grades or three grade-intervals below the position from which the employee is released.
- e) Length of service does not count. Employees with very little service can bump employees with more service. Bumping is based solely on employees' retention tenure and/or subgroups.

We saw on the previous page how Tom was released from his competitive level during round one RIF competition. Now let's examine efforts to place Tom in round two.

The personnel office first reviews Tom's personnel file to determine his qualifications and finds him qualified for Transportation Assistant positions. The personnel office will next review available vacant positions at Tom's current grade, GS-06. If Tom does not qualify for any of the vacant positions, then the competitive levels for GS-06 positions will be reviewed. Suppose the following retention register is found:

**Transportation Assistant, GS-2102-06,**  
**cl.034**

Tenure	Adj. RIF SCD	Name	Org.
I A	10-18-82	Mary	H
I B	06-13-80	Fred	H

Tom qualifies for these positions and, since he is in retention subgroup IA, is entitled to bump Fred, who is a IB. (Note that it makes no difference that Fred has more service than Tom. Fred is in a lower retention subgroup and has less seniority on this basis.) Tom will be offered Fred's position in H and Fred is now released from his competitive level by means of a "bump."

Since Fred is now excess, efforts must be made to place him. The same process used to

place Tom is repeated. First, vacant positions are reviewed. If there are none, or Fred doesn't qualify, Fred's bumping rights would be examined. As a IB, Fred can only bump a career conditional employee (a tenure group II). If there are no tenure group II employees in positions for which Fred qualifies, his last opportunity to be placed at the GS-06 level would be through the "retreat" process.

## Retreating

If there is no position to which an excess employee can bump, we next look to see if the employee has retreat rights.

Retreat is the assignment of an employee to a position in a different competitive level which is occupied by an employee in the same subgroup but having less service.

*You can only retreat to the same position or a position essentially identical to one you previously held in the Federal service on a permanent basis.*

Whereas you can bump (if all the conditions are met) into any position for which you qualify, retreat rights are much more restrictive. They are limited to positions previously held or to ones that are essentially identical. As the name implies, retreating means going back to where you came from.

An employee may only retreat into an available position if the position is:

- a) held by an employee in the same subgroup with a later service computation date;
- b) the same grade or no more than three grades or grade intervals below the position from which an employee is being released (30% or more compensably disabled veterans, i.e., AD's, may retreat up to the equivalent of 5 grades or grade intervals); and
- c) the same position or a position essentially identical to one previously held by the released employee in any Federal

agency, on a permanent basis. (A previous temporary appointment or a temporary promotion or reassignment does not confer retreat rights.)

In reviewing Fred's background, we discover that he transferred to his present position from another Federal agency, where he was a Secretary (OA), GS-31806. In reviewing competitive levels, we find the following:

**Secretary (OA), GS-0318-06, cl.087**

Tenure	Adj. RIF SCD	Name	Org.
IBA	04-04-79	Martha	D
I B	06-14-80	Betty	C

We know that Fred qualifies for GS-318-06 positions. He cannot bump Betty since both are in the same tenure subgroup, IB. However, Fred previously held a similar position in another agency. He could retreat to Betty's position since Betty is a IB like Fred but has one day less service (06-13-80 versus 06-14--80). We next verify that the qualifications and duties of Betty's position are essentially identical to those required by Fred's position in the other agency. (That is, if Fred's old position in the other Federal agency was in his present agency, the position would be placed in competitive level GS-318-06, cl.087.) If so, Fred will retreat to Betty's position.

Betty is now released from her competitive level and the process is repeated. At the GS-06 level and down to three grades below Betty's current grade, we would review her eligibility for placement into a vacancy, to bump, and to retreat. If we could find no placement within that grade range, Betty would be separated.

## Qualification for Assignment

During a RIF, a great deal of time is spent on evaluating the qualifications of employees to determine their assignment rights. This action is necessary because an employee has to be

fully qualified for a position in order to displace another employee by bumping or retreating.

The RIF regulations spell out the qualification requirements. Employees must be basically qualified in accordance with the Office of Personnel Management standards. In addition, employees must meet all medical/physical requirements and/or any special requirements. Finally, to be considered qualified in RIF, employees must have "the capacity, adaptability, and special skills needed to perform the duties of the position without undo interruption." This latter determination may also include recency of experience, if appropriate.

Your Official Personnel Folder (OPF) is used to evaluate your qualifications for other jobs. **Therefore, it is strongly suggested that you ensure your OPF includes all your experience and education.** If your SF-50 (Notification of Personnel action), Application and/or Resume for Federal Employment and college transcripts in your OPF accurately reflect your experience, it is not necessary for you to do anything. These are the primary documents used for qualification determinations in a RIF and all will be considered. If you have additional experience, education, etc. that is not reflected in your OPF that you want to be considered, **it is important that you update your records prior to the RIF.** Normally, an OPF update period will be announced prior to the RIF and a cutoff date established. No new updates are considered after the cut-off date.

Normally, you must meet qualification requirements to be placed in a position. However, the requirements can be waived for placement in vacancies. Normally, after the RIF process has been completed, the Personnel Office will review any remaining vacancies to see if qualification requirements could be waived for any employees who couldn't otherwise be placed. In order to waive qualifications, it must be determined that the

employee has the "capacity, adaptability, and special skills needed to satisfactorily perform the duties and responsibilities of the position." This determination is based on each employee's background.

---

## Range of Assignment Rights

Throughout our discussion, we have stated that your RIF assignment rights are limited to three grades or three grade intervals below each employee's present grade. Each employee has a range of grades within which he/she is considered for placement. The ceiling or top of this range is each employee's present grade. The bottom or floor of the range is three grades or three grade intervals below the present grade. What that floor is for you depends upon the type of position you have.

To determine the lowest grade in which you will be considered for placement, we look at the type of position you occupy and determine the **normal line of progression** for that type of position. That is, what is the normal way to advance to a particular grade level in that occupation? This determination is **based strictly on the position**, not the way you or any other employee actually got to your present level. When we determine the normal advancement pattern for the occupation, we reverse that pattern to determine the lowest grade to which the incumbent could be demoted in a RIF.

This process is fairly simple for GS jobs, since for the most part, they are considered either one grade interval or two-grade interval positions.

One-grade interval jobs are those in which the normal pattern for positions at different levels is one grade. Examples are Supply Technicians, Clerks, Secretaries, and Transportation Assistants. These types of jobs are usually classified one grade apart. For example, in an organization we might find GS-03, GS-04, GS-05, and GS-06, Supply Technicians. The normal

advancement pattern is one grade at a time. Therefore, to determine what the floor of the placement range is for RIF, we just count backwards. The three-grade range for a GS-06 Supply Technician is established by counting: GS-06 to GS-05 to GS-04 to GS-03. For GS-06 employees in one grade interval series, the placement range is GS-06 down to and including GS-03.

General Schedule positions at GS-11 and below which are considered two-grade interval positions have a different pattern of progression. Examples of these jobs are Management Analyst, Engineer, and Contract Specialist. Normally, two-grade interval positions are established at every second grade. The normal line of promotion for a GS-11 Management Analyst is entry at the GS-05 level, promotion to GS-07, then to GS-09, finally to GS-11. The three grade placement range is, therefore, GS-11 to GS-09 to GS-07 to GS-05. The pattern for a GS-09 Management Analyst would be GS-09 to GS-07 to GS-05 to GS-04. (Notice we switch to one grade interval once we pass the normal entry level in these occupations.)

Above the GS-11 level, normal progression is one grade at a time. The RIF placement range for a GS-15 Program Manager is:  
GS-14 to GS-13 to GS-12.

---

## Representative Rates

The last concept we need to discuss in order to fully understand RIF placement rights is that of representative rates. We have just seen how we establish the range of grades in which an employee can be placed in a RIF. We also stated earlier that, if qualified, each of us can be placed in position in different pay plans, that is, a GS employee could be placed in a Wage position and vice versa. Representative rates are used to determine which positions in other pay plan fall within an employee's placement range and which pay plans and

grades are the better offer. They are a means by which we can determine the "relative worth" of position in all the pay plans.

The second step of the wage schedule is used as the representative rate for wage positions (WG, WL, WS). The forth step of the General Schedule is used as the representative rate (Note: by regulations, the GS pay schedule used is the nation-wide, basic schedule, that is, the GS salary schedule minus locality pay.)

By listing all the pay plans and grades in order of their representative rates, we have what is known as a representative rate chart. A part of the chart covering the RIF placement range for a GS-09 in a one-grade interval series might look like this:

WL-07	\$16.20
GS-09	\$15.95
WG-08	\$15.62
WS-02	\$15.50
WL-06	\$15.22
WG-07	\$14.73
WS-01	\$14.60
GS-08	\$14.44
WL-05	\$14.25
WG-06	\$13.27
GS-07	\$13.04
WG-05	\$12.95
WL-03	\$12.29
WG-04	\$12.06
GS-06	\$11.73
WL-02	\$11.31

Since the GS-09 has RIF assignment rights down to the GS-06 level, the employee is entitle to be considered for all position within that range, regardless of pay plan. There is no entitlement outside the range. If we were to offer the GS-09 a WL-07, we would be promoting the employee, since the representative rate of the WL-07 is higher than the representative rate of a GS-09. We cannot do this in a RIF. Any offer below the GS-09 level would consititute a change to lower grade, since the representative rate are lower.

If the employee is qualified for both a GS-08 and a WG-07 position, we must offer the WG-07, since it has a higher representative rate and is, therefore, the "best offer." Even if the GS-09 were well qualified for, or even previously held, a WL-02 position, we couldn't offer it, since it falls outside the GS-09's placement range.

In placing the GS-09 who was released from his or her competitive level, we begin our placement search at the GS-09 level. We first look for a vacant position, then for any bumping rights, and finally, for any retreat rights. If unsuccessful at the GS-09 level, we would repeat this process at the WG-08 level, the WS-02, level, etc., looking first for a vacancy and then bumping and retreat rights. We repeat the process at each successive level. When a placement is found, the employee is offered a change to lower grade. If no placement is found after search throught the GS-06 level, the employee is separated.

## Special Rules

**Excepted Service Positions** – Normally, employees holding an excepted service appointment **DO NOT** have assignments rights. But, the agency at its options can offer assignment rights to its excepted service employees.

**Term Appointments** – Normally, employees holding a term appointment **DO NOT** have assignment rights. But, the agency at is options can offer assignment rights to its term appointment employees.

**Current Unacceptable Performance Rating** – If an employee is reached (position abolished, bump or retreat) in the RIF process and has a current annual performance rating of **Unacceptable**, the employee **DOES NOT** have assignments rights and would be separated.

**Same Subgroup Bumping** – Normally,



agencies **DO NOT** use this option, as it can be extremely disruptive. It is similar to retreat, for example, 1A "bump" another 1A with less retention. The tenure and subgroup are identical, but, the employee with the senior (older) RIF service computation date may "bump" the junior employee. The senior retention employee needs only to be qualified for the job - - not held it before.

**Military Restoration** – employees returning from active duty military (normally, within 1 year of the proposed RIF effective date) may receive an exception based on military service.

---

## Summary of the Process

Let's take a moment to review the process we have just discussed in detail. First, we identified those employees who were excess and those who were occupying continuing positions. Next, Round One competition took place within each excess employee's competitive level to see which employees were separated from those competitive levels. Once Round One was completed, we had a pool of employees who were released from their competitive levels and had been reached for RIF. This pool of employees then competed for placement in other competitive levels during Round Two of the RIF.

In order to ensure that employees with the highest retention are, always placed before employees with lower retention, the Personnel Office processes the RIF in seniority order during round two competition. The first employee considered for placement is the released employee with the highest RIF retention standing, regardless of grade level. The second employee considered is the employee with the next highest seniority, etc. As the processing continues and as employees on continuing positions are displaced from their competitive levels by bump or retreat, they are considered for placement in order of seniority. In this manner, we can be sure that no

employee is offered a position that should have been offered to someone with more retention rights.

When running the RIF, we work our way through the employees who were released from their competitive level one at a time. As each released employee comes up for placement, the placement range is first determined. Then, the employee's OPF is reviewed to determine qualifications for placement. Beginning at the present grade, and at each successive level within the placement range, a search is made for vacancies, then bumping, and retreat rights. The employee is either placed or separated before the released worker with the next lowest retention is considered.

This process continues until each employee reached for release from his/her competitive level is reassigned, changed to lower grade, or separated.

---

## Preparation and Issuance of Notices

Once all placement rights have been determined, the next step is to prepare the RIF notices. There are a variety of different notices.

For example, there is one notice for persons being reassigned within their own competitive level, e.g., Management Analyst, GS-11, to Management Analyst GS-11. There are different notices for reassignments outside of one's own competitive level, depending upon whether the new position was vacant or was occupied and the incumbent displaced, e.g., Management Analyst, GS-09 to Supply Systems Analyst, GS-09. There are notices for Change to Lower Grade when the employee is entitled to grade and pay retention; when the employee is entitled only to pay retention, and when the employee is not entitled to either grade or pay retention. Finally there are

notices for separation.

All of the notices are normally delivered on the same day. If you are not present at work on the day the notices are delivered, your notice will be mailed to you by regular and certified mail.

Depending on your status and the type of notice received, you will be told whether or not you will be entitled to grade and/or pay retention, what happens if you decline an offer, who to contact if you have questions, how to file a grievance or appeal, what your eligibility is for outplacement assistance, etc.

A minimum 60-day notice is required. This means that after you receive the notice, you won't be reassigned, changed to lower grade, or separated until the end of the notice period. During the notice period, depending on your situation, you will have the opportunity to register in your agency Career Transition Program (CTAP), review the retention register and discuss your placement, apply for jobs with local employers, etc.

Attrition frequently occurs during the advance notice period, as your co-workers decline their RIF offers, retire, resign, or otherwise leave the agency. When this happens, we are often able to make improved RIF offers. In fact, we are required to give you a better offer, if possible. Thus, if you receive a separation notice on the day the initial notices are delivered, it is possible you could get a revised offer of a change to lower grade later, and then another revised offer of a reassignment on the day before the effective date.

What happens if you really liked your change to lower grade offer, since it gave you a different career opportunity, and you prefer it to a reassignment that came to you as an improved offer? The improved offer is now your only choice. We are under a regulatory requirement to provide you the best offer that will come as close as possible to your present

pay and grade. Even if you preferred a reassignment outside of your competitive level, rather than staying in your current job (if that was the final best offer to you), you do not have a choice. Once you receive a better offer, the first offer is no longer available to you and the new offer becomes the one and only RIF offer to which you are entitled.

When you receive a RIF notice, you will be asked to sign a receipt acknowledging that you were presented the notice. The Notice specifically says, "signing does not imply that I agree with anything in the RIF specific notice". Your signature merely documents your receipt of the notice.

Those who receive a RIF-Reassignment notice (meaning they displaced someone at their same grade level) and those who receive an offer of a lower grade position, will also receive an acceptance or declination form with their notice and will have a deadline to complete and return the form. Declining the position or failing to return the form, which is considered a declination, will result in the employee being separated unless a better offer becomes available later.

As we mentioned above, we are obligated to provide you the best offer possible in a RIF. If we can give you a better offer during the notice period, we will do so, even if you declined the first offer. If you get a better offer, it will be through a revised RIF notice, and the acceptance/ declination process begins again. When that occurs, the first offer is no longer available.

We always hope that it will be possible to make better offers. Sometimes no offers are improved or only a few employees are affected. Our best advice, therefore, is for you to consider your first RIF notice as the final notice and prepare yourself accordingly.

## RIF Appeals

Employees who are either separated or changed to lower grade as a result of RIF, and who believe such action deprives them of any rights to which they are entitled under the agency or Office of Personnel Management regulations, may appeal the RIF action to the Merit Systems Protection board except when a negotiated procedure (negotiated agreement) must be used. Appeals are filed with the Merit Systems Protection Board (**MSPB**).

**A copy of the appropriate appeal form will be enclosed with your RIF notice.**

A copy of MSPB's regulations or negotiated agreement can be obtained from the Personnel Office upon request. An appeal **must** be filed during the period beginning on the day after the effective date of the action being appealed and ending 30 days after the effective date. The MSPB will usually not accept a RIF appeal unless it involves a separation or change to lower grade. A reassignment during a RIF is not considered an appeal-able action.

Errors do occur when RIF's are processed. When these are brought to light, they are often corrected to the employee's satisfaction during the RIF notice period. Employees who believe an error has occurred should contact the Personnel Office and discuss the situation. Doing so may eliminate the need to file an appeal.

## GRADE AND PAY RETENTION

Often the best offer that can be made to an employee in a RIF is a position lower in grade than the current position. An employee placed in a lower graded position by RIF procedures may be eligible for grade and/or pay retention. Grade and pay retention minimize the

economic loss an employee would suffer as a result of a change to lower grade.

## Grade Retention

As the name implies, grade retention means that for pay and other purposes, you retain the grade held before the effective date of the change to lower grade. Grade retention lasts for two years, beginning with the date of change to lower grade. You keep the higher grade even though working in a lower grade position.

Your retained grade is considered your grade for most personnel management purposes during the two year period (including pay and pay administration, retirement, life insurance, eligibility for training, promotions, within-grade increases, and comparability increases). During the two year period you would receive any step increases and pay adjustments to which you were entitled at the retained grade.

The retained grade is not used, however, for determining assignment rights if a subsequent RIF becomes necessary.

In order to receive grade retention because of RIF, you must meet all of the following requirements:

- Be serving under a permanent appointment (not an appointment having a definite time limit, such as temporary or term).
- Be placed in a lower graded position by RIF procedures.
- Have served for at least 52 consecutive weeks at a grade or grades higher than that of the position in which placed by RIF.

### EXAMPLE:

On 03-03-92 Roger is appointed to a GS-05 position and has no prior Federal service.

On 03-10-93 Roger is promoted to GS-07.

On 03-16-94 Roger is promoted to GS-09.

On 06-08-96 Roger is placed in a GS-05 position as a result of RIF.

Roger is entitled to retain his grade of GS-09, as he held the GS-09 position a minimum of 52 weeks.

Grade retention ends upon completion of the grade retention period or when one of the following situations occurs:

- a) There is a break in service of one workday or more;
- b) The employee is demoted for personal cause (e.g., conduct problems) or at the employee's request;
- c) The employee is placed in a position the grade of which is equal to, or higher than, the retained grade;
- d) The employee declines a reasonable offer of a position, the grade of which is equal to, or higher than, the retained grade; or
- e) The employee elects in writing to have the benefits of grade retention terminated.

An employee whose grade retention period ends may receive pay retention.

## Pay Retention

If you are demoted and your pay is within the pay range of the new position, you will be assigned a step in the new grade. If, however, your rate of pay exceeds the highest salary for the new grade, you will be entitled to pay retention. Pay retention means you keep your former rate of pay. In RIF, this occurs **(1)** when the period of grade retention ends, or **(2)** when the employee affected by the RIF does not meet the eligibility requirements for grade retention (such as serving less than 52 weeks at higher grades). An employee receiving pay retention is entitled to the lesser of the following:

- The employee's former rate of basic pay;
- or
- 150% of the highest rate of basic pay (Step 10 for GS and Step 5 for Federal

Wage System) for the employee's current position after the reduction action.

### EXAMPLE:

Wilma is a GS-09, Step 7, and is placed in a GS-08 position by RIF.

Her current rate of pay as a GS-09, Step 7 is \$38,279 and is higher than any step in the GS-08 schedule. She would be entitled to \$38,279 or 150 percent of the 10th Step of GS-08 (\$56,310), whichever is the lesser.

Therefore, Wilma would retain her pay of \$38,279 and is placed in GS-08, Step 00 (\$38,279).

If you are entitled to pay retention because of a RIF, you would receive 50 percent of any general (comparability) increases in pay in the maximum rate (Step 10 for GS and Step 5 for Federal Wage System) of your grade at the time of the increase.

### EXAMPLE:

In the case above, a comparability increase of 3 percent is effective in January, resulting in an increase of GS-08, Step 10 from \$37,540 to \$38,666. The employee is entitled to 50 percent of the increase in the GS-08, Step 10 rate (\$38,666 minus \$37,540 or \$1126) which is \$563. The employee is entitled to \$38,279 plus \$563 or \$38,842. The retained rate exceeds GS-08, Step 10 and continues to be placed in GS-08 Step 00, \$38,842.

Pay retention ends with a break in service of one workday or more. It also ends when the employee's scheduled rate of pay is equal to or more than the employee's retained pay, or when the employee declines a reasonable offer of a position the rate of which is equal to or higher than, the employee's retained rate.

## RETIREMENT

**Retirement is a critical life event, please seek advice from your Benefits Specialist, Social Security Administration, Financial and/or Tax Consultant prior to making any decisions.**

Each permanent employee is subject to one of two Federal government retirement systems, the **Civil Service Retirement System (CSRS)** or the **Federal Employees Retirement System (FERS)**. The requirements for retirement vary somewhat between those systems.

### General Requirements for Retirement:

**CSRS:** A minimum of five years of civilian service is required. In addition, an employee must have been subject to the retirement law for at least one out of the last two years before the separation on which the retirement is based.

**FERS:** You can retire and receive immediate, unreduced retirement benefits if you have five years of civilian service.

### Optional or Regular Retirement

Optional retirement is based on age and length of service. Whether you are CSRS or FERS, an immediate annuity is payable upon separation if you have at least:

- 1) 5 years of civilian service and have reached the age of 62, or
- 2) 20 years of service and have reached the age of 60, or
- 3) 30 years of service and have reached the age of 55.

In addition, FERS employees who have 10 years of service and are at the Minimum Retirement Age (MRA) may retire at any time. There is a reduction of 5%, however, for each year under age 62.

The MRA is based on your year of birth. If you were born before 1948, the MRA is 55, and you will be eligible to retire and receive full benefits at age 55 if you have at least 30 years of service. All those born after 1969 are eligible to retire with full benefits at age 57. The MRA gradually increases from 55 to 57 for those born between 1948 and 1969.

Employees eligible for regular retirement can exercise their right to retire at any time, including before, during, or after a RIF.

### Deferred Retirement

If you are separated from the Federal service for any reason before meeting the requirements for an optional (or immediate annuity), you are entitled to a deferred annuity. This will commence at age **62**.

CSRS employees must have been covered under CSRS for at least one year within the two year period immediately preceding the separation, must have completed at least five years of civilian service, and must not have received a refund of retirement deductions covering the last period of service.

FERS employees are eligible with five years of service covered by retirement deductions.

Employees taking a deferred annuity do not participate in the Federal health benefit or life insurance programs.

### Early Retirement VERA and DSR

Under specific circumstances, generally in downsizing situations, both CSRS and FERS employees may be eligible to retire early, that is, with less years of service and/or age than normally required. The two types of early retirement are **Voluntary Early Retirement (VERA)** and **Discontinued Service Retirement (DSR)**.

The age and service requirements for an early retirement (VERA and DSR) are identical for both retirement systems. Employees must be:

- a) age 50 with 20 years of service, or
- b) any age with 25 years of service.

CSRS employees receive a reduction of 1/6 of 1% per month (2% a year) for each month under 55 years of age. This reduction does not change once the retired employee reaches age 55. There is no age reduction for FERS employees.

**Voluntary Separation Incentive Pay (VSIP)** is often available at the same time VERA is offered. This is not a requirement, however, and employees may be entitled to VERA without the opportunity to receive VSIP.

---

## Discontinued Service Retirement

Employees may be eligible for Discontinued Service Retirement (DSR) if they are being involuntarily separated. The term involuntary separation means any separation against the will and without the consent of the employee, other than separation for cause on charges of misconduct or delinquency. RIF separation is, of course, an involuntary separation.

While DSR is often called "involuntary retirement," in fact, employees must apply in order to receive retirement benefits. No one is forced to retire. If an employee is eligible for DSR but does not apply for it, that employee will be separated by RIF. The Personnel Office will not "retire" you without your application and consent.

Employees who meet the age and service requirements and receive a RIF separation notice are eligible. They may resign during the period which begins the day of receipt of the separation notice and runs through the effective date of the RIF. Rather than be separated, they receive a DSR rather than a separation.

However, if you are offered and decline a position which is considered a reasonable offer, your entitlement to DSR ends. (A reasonable offer is a position in your commuting area, for which you qualify, which is offered to you in writing, and which is not lower than two grades or pay levels below your current grade or pay level.)

Because efforts are made to improve offers during the notice period, it is possible to be eligible for DSR at the beginning of the notice period and lose the eligibility by the end. Better offers must be made to employees whether or not they intend to take DSR. Some employees overcome this potential obstacle by taking DSR immediately and not waiting until the end of the notice period.

---

## Annual Leave to Obtain Retirement Benefits

What happens if you are going to be separated, but you will not become eligible for DSR until after the effective date of a RIF? There is now a special exemption which allows you to take annual leave after the effective date of a RIF, if by doing so you would attain retirement eligibility. If you have sufficient annual leave, you can be kept on the rolls until you become eligible to retire.

For example, let's assume a RIF is effective on September 30. However, you don't meet the age and service requirement for early retirement until October 28. You are no longer out of luck. If you have sufficient annual leave, you can be placed in an annual leave status on October 1, rather than being separated. You would then stay on annual leave until October 28 when you could take DSR. If you have questions contact your agency Benefits Specialist for additional information.

---

## Retirement and Benefits

The requirements for continuing Health and Life Insurance into retirement are as follows:

a) **Health Insurance:** Enrollment under the Health Insurance Program for:

- (1) The five years of service immediately preceding retirement, or
- (2) All service since first opportunity to enroll.

\*Coverage under the Uniformed Service Health Benefits Program which includes CHAMPUS can be included to meet the five year requirement. However, employee must be enrolled in the Federal Employees Health Benefits Program at time of retirement.

\*\*Use of Annual Leave to establish initial eligibility to continue health benefits into retirement – An employee who is being involuntarily separated by RIF may use annual leave (if he chooses), and remain on the rolls after the effective date for the purpose of establishing initial eligibility.

b) **Life Insurance:** Retiring employees may continue Basic Life Insurance if they:

- (1) are insured on the date of retirement, and
- (2) have been covered for five years of service immediately preceding retirement, or since first opportunity to enroll.

If you have questions contact your agency Benefits Specialist for additional information.

### Refund of Retirement Contributions

If you have less than five years of creditable civilian service upon separation you have no entitlement to annuity benefits under CSRS or FERS. **You will receive a refund of your retirement contributions.**

With more than five years of creditable service, you will have to make a decision whether to

leave your contributions in the retirement fund in order to get a deferred annuity (see above) or to receive a refund.

Upon separation, unless you are within 31 days of becoming eligible for an annuity, you will receive paperwork, which you can complete to receive the refund.

**If you take a refund under CSRS and are later reemployed by the government, you can make a redeposit (consisting of the amount refunded plus interest) so that the period of service covered by the refund may be included in the computation of retirement benefits.**

However, a FERS employee may not make a redeposit of contributions, which are refunded. This means that any period of FERS service for which a refund was received will **not** be counted in computing a future annuity. The period covered by the refund will be **lost** for retirement purposes upon reemployment.

## CAREER TRANSITION

### Career Transition Assistance Program (CTAP)

CTAP is a program that provides services to help surplus and displaced Federal employees take charge of their own careers and find other job offers, either within the Federal Government or in the private sector. Each Federal agency is required to establish a CTAP plan, to includes services available to eligible employees. Services available may include:

- **Resume Preparation**
- **Job Search Assistance**
- **Skills Assessment**
- **Career Counseling**
- **Retraining**
- **Job Lead Developments**

Check your agency CTAP regulations for

specific services available for you.

Also, employees who meet certain eligibility criteria may receive special selection priority for vacancies with your agency within the local commuting area. If you apply to a vacancy at another agency office in the local commuting area and are considered to be well qualified for the vacancy, under the provisions of CTAP, the agency is required to give you special selection priority.

**Eligibility:** To be eligible for the special selection priority, you must meet the following conditions:

1. You must be a displaced employee, i.e., have a notice of RIF separation, **but still be on the rolls of the agency from which you are being separated.**
2. You must have a current (or latest) performance rating of Pass/Fully Successfully or better.
3. You must apply for a vacancy, which is at a grade level at or below your current grade and which does not have promotion potential beyond your current grade.
4. The position you are being separated from has to be in the same local commuting area as the vacancy for which you apply.
5. You must apply directly to the agency within the specific timeframe established by the agency.
6. You must be determined by the agency to be well qualified for the position.

**Period of Eligibility:** Eligibility begins on the date you receive your specific RIF separation notice and expires on the earliest of the:

1. RIF separation date or the date of the employee's resignation, retirement, or other separation; OR
2. When the employee's Notice is cancelled; OR
3. When the employee receives any

appointment without time limit in any agency at any grade level.

---

## Interagency Career Transition Assistance Program (ICTAP)

ICTAP is a program that provides surplus and displaced Federal employees a priority when Federal agencies are accepting outside applications.

Employees who meet certain eligibility criteria may receive special selection priority at other Federal agencies. If you are in receipt of a RIF separation notice, you are eligible to apply for vacancies at other Federal agencies, when those agencies are accepting outside applications. If you are determined to be well qualified for the vacancy, under the provisions of the ICTAP, the agency is required to give you special selection priority. That is, they must select you before selecting a non-displaced applicant from outside the agency.

**Eligibility:** To be eligible for the special selection priority, you must meet the following conditions:

1. You must be a displaced employee, i.e. have a notice of RIF separation.
2. You must have a current (or latest) performance rating of Pass/Fully Successfully or better.
3. You must apply for a vacancy, which is at a grade level at or below your current grade and which does not have promotion potential above your current grade.
4. The position you are being separated from has to be in the same local commuting area as the vacancy for which you apply.
5. You must apply directly to the agency with the specific timeframe established by the agency.
6. You must be determined by the agency to be well qualified for the position.



**Period of eligibility:** Your eligibility for this special selection priority begins upon your receipt of a RIF separation notice and terminates one year after separation, when you receive a permanent appointment, or when you no longer meet requirements (for example, you resign before the RIF effective date). Your eligibility for the program terminates at a specific agency if you decline an official offer with that agency.

---

## Application Process for CTAP/ICTAP

If you see a specific announcement for a position at another Federal agency or subcomponent of your agency, submit whatever application forms the announcement specifies. Include with your application, a copy of your latest performance appraisal and a copy of your RIF separation notice. (This documents your eligibility.) You must also submit any other paperwork required or requested by the vacancy announcement. If the agency determines that you are eligible for the special selection priority and that you are well qualified, the agency must select you before selecting any other outside applicant. If there are several well qualified ICTAP or CTAP applicants, the agency may select the one it wishes.

Each agency is responsible for implementing this program, including establishing a qualifications review process.

Remember, a vacancy you apply for under the ICTAP/CTAP must be in your local commuting area, must be one for which the agency is accepting outside applications (ICTAP), and must not be at a higher level than your present grade.

Finally, be aware that your eligibility for these programs does not take away your right to apply for any and all vacancies for which outside applications are being accepted, regardless of location. In other words, you can

still apply for promotion, when and where you wish.

---

## Reemployment Priority List (RPL)

The reemployment priority list (RPL) is the mechanism agencies use to give reemployment consideration to their former competitive service employees separated by reduction in force (RIF). In filling vacancies, the agency must give RPL registrants priority consideration over certain outside job applicants and, if it chooses, also may consider RPL registrants before considering internal candidates.

Each agency is required to establish and maintain a reemployment priority list for each commuting area. All components of an agency within the commuting area utilize a single RPL and are responsible for giving priority consideration to the RPL registrants.

To be entered on the RPL, an eligible employee must complete the required application prescribed by the agency and inform the agency of any significant changes in the information provided. This application must provide for the employee to specify the conditions under which he or she will accept employment, including grade, occupation, and minimum hours or work per week, in addition to positions at the same representative rate and type of work schedule (e.g., full-time, part-time, seasonal, intermittent, on-call, etc.) as the position from which the employee was or will be separated.

Registration may take place as soon as a specific RIF notice of separation or a Certification of Expected Separation has been issued. The employee must submit the application within 30 calendar days after the RIF separation date. An employee who fails to submit a timely application is not entitled to be placed on the RPL.

---

## COMPENSATION

### Voluntary Separation Incentive Pay

Voluntary Separation Incentive Pay (VSIP), also known as a "buyout," is a lump sum payment of up to \$25,000. Its purpose is to allow an agency in a restructuring situation the opportunity to offer permanent employees a lump sum payment if the employee voluntarily retires or resigns, thereby lessen the impact of, or eliminate the need for RIF. Generally, this is accomplished by offering the incentive to excess employees who would otherwise be subject to involuntary separation or to employees on continuing positions whose loss would create vacancies for surplus workers.

This buyout is not an employee entitlement. Although VSIP may be offered to all employees, often it is targeted at specific groups of employees whose loss would further the activity's downsizing objectives. Usually Voluntary Early Retirement Authority (VERA) is available at the same time as the VSIP offer, thus enabling employees to separate by early retirement, regular retirement, or resignation. Once an employee is approved to receive VSIP, that employee is removed from any pending RIF.

Only employees serving on an appointment without time limit, and continuously employed by the Agency for at least 3 years, and meet all other qualifiers, may be eligible for the VSIP incentive bonus. Check with your agency for additional information and eligibility requirements, or, If you're an employee that returned from military leave and may have missed a VSIP opportunity.

The amount of the separation incentive pay is computed using the formula and rules for severance pay. The maximum incentive is \$25,000. The severance pay formula is 1

week's salary for each of the first 10 years of service and 2 weeks' salary for every year over 10 years. An additional amount is added for employees over age 40 (10% of total basic severance allowance for each year of age beyond 40). The calculation is based only on years of civilian service. Military time is not used in the severance pay computation. (See the section on Severance Pay.)

The separation incentive pay is a lump sum payment considered to be income, and is subject to Federal and any applicable state and local taxes, Medicare, and Social Security (for FERS and CSRS offset employees). It is also subject to garnishment for indebtedness. Additionally, since the incentive payment is considered income, it may not be rolled over into a retirement account or other form of tax shelter.

Employees who accept VSIP are ineligible for the following:

- Permanent or temporary employment with the Federal government for five years following the date of your separation, unless you pay back the full amount of the incentive payment (including any amounts deducted for taxes, Medicare, or social security). This prohibition covers any kind of employment (permanent, temporary, expert, consultant, reemployed annuitant, and nonappropriated fund).
- Any other type of severance pay.
- Discontinued service retirement
- Entry on the Reemployment Priority List.

### Unemployment Compensation

The **Department of Labor** administers, through individual state governments, the **Unemployment Compensation Program** for Federal employees. In general, the program provides a weekly income for a limited period of time for eligible unemployed workers.

Each state determines eligibility and amounts to be paid to separated workers, based on that state's laws. Since this is a state-run program,

the Personnel Office will not answer specific questions about unemployment compensation.

To determine if you are eligible for benefits, you should contact your local state unemployment claims office. In addition to adjudicating unemployment claims, these offices will register you for employment opportunities.

**NOTE: When applying for Unemployment Compensation Benefits, you should have the following items with you:**

1. **Your Social Security card.**
2. **Your official notice of separation by RIF, that is, a copy of your Standard Form SF 50 documenting your separation.**

Frequently, when there are substantial numbers of employees being separated, the Personnel Office will arrange for a state unemployment representative to meet with separating workers to provide information and gather preliminary information.

## Severance Pay

If you are involuntarily separated from the Federal government and meet certain other requirements, you may be eligible for severance pay. Severance pay reduces the financial effect of job loss and sustains employees while they seek employment.

An estimate of your severance pay entitlement will be found in your RIF separation notice.

**Eligibility:** To be eligible for severance pay, you must meet the following requirements:

1. You must be involuntarily separated.
2. You must have been on the rolls, either part-time or full-time, at least 12 consecutive months. (This can include time under a temporary appointment if there has been no break in service of more than three calendar days. However, you must be a permanent employee at the time of separation.)

Temporary employees are not entitled to severance pay.)

**NOTE:** Separation for reasons of performance or misconduct is not considered an involuntary separation for severance pay purposes.

***A resignation after receiving a notice of RIF separation is considered an involuntary separation and entitles you to severance pay.***

This means that once you receive an official notice of RIF separation that states that you are entitled to severance pay, you do not have to wait to be separated by RIF to collect the severance pay.

You may resign at any time during the RIF notice period, that is, between the date you receive the notice and the actual effective date of the RIF, and still receive severance pay. You should be aware however, that it is possible that you could receive a better offer during the notice period (see the discussion of "reasonable offer" below) which could make you ineligible for severance pay.

**Ineligibility:** You are ineligible for severance pay if one of the following applies:

1. You are offered and decline a position which is considered a reasonable offer. (A reasonable offer is a position in your commuting area, for which you qualify, which is offered to you in writing, and which is not lower than two grades or pay levels below your current grade or pay level. If a reasonable offer is made to you and you decline it, your entitlement to severance pay ends.)
2. You are currently receiving compensation under the Federal Employees Compensation Act for an on-the job injury or work-related illness.

3. At the time of involuntary separation, you meet the requirements for an immediate Federal annuity under any retirement law or system that applies to Federal employees or members of the uniformed services. Simply put, this means that any employee who is retired military or is entitled to an immediate retirement (either optional or discontinued service retirement, whether or not the employee elects to retire) is NOT eligible for severance pay.

An employee's severance pay fund consists of two parts: a basic severance allowance and an age adjustment allowance. (In this computation, 25 percent of a year is given for each 3 months of service or age. Also, note that military service does not count in the computation.. Only civilian service is used.)

- a. Basic Severance allowance consisting of:
- 1) One week basic pay for each year of *civilian* service up to and including 10 years,  

Plus
  - 2) Two weeks basic pay for each year of *civilian* service beyond 10 years.
- b. Age adjustment allowance - This is 10% of the basic severance allowance for each year over 40 years of age at the time of separation.

The **basic severance allowance** added to the **age adjustment allowance** makes up the employee's total **severance pay fund**. From this, the total number of weeks of severance pay eligibility is determined based upon the employee's weekly rate of pay.

There is a limit on the number of weeks of severance pay you can receive. This limit is 52 weeks in an employee's lifetime. If you previously received severance pay and again become eligible, the number of weeks entitlement will first be determined based on the current separation. Then the number of weeks you previously received severance pay

will be subtracted from the current entitlement. For example, if you are eligible for 30 weeks severance pay, but you previously received 10 weeks of severance pay, you would receive 20 weeks, i.e., current entitlement (30) minus previous weeks received (10) = current eligibility (20).

You will receive severance pay at the same intervals as you were previously paid, every two weeks. You receive the payment until your severance pay fund is exhausted or until you are reemployed in the Federal government, whichever occurs first. Reemployment with the Federal government in a permanent position stops the severance pay completely. Reemployment under a temporary appointment interrupts the severance pay until the appointment is terminated. It is important that you notify the personnel office of your acceptance of a new position with the Government. Failure to do so could result in dual payment and your becoming indebted.

## Sample Severance Pay Calculation

Example: John Doe, age 45 years and 2 months, is involuntarily separated after 15 years and 3 months of civilian service. His basic pay was \$400 a week prior to his separation. He meets all the requirements for severance pay. The amount of his severance pay entitlement is computed as follows:

### Basic Severance Allowance

1. One week basic pay for each of the first 10 years civilian service:

$$\begin{array}{r} \$400 \text{ (weekly pay)} \\ \times 10 \text{ (years service)} \\ \hline = \$4000 \end{array}$$

**PLUS**

2. Two weeks basic pay for each year of service over 10 years:

$$\begin{array}{r} \$800 \text{ (two weeks pay)} \\ \times 5.25 \text{ (years service)} \\ \hline = \$4200 \end{array}$$

(credit is given for 3 months = .25% of a year)

Basic Service Allowance: \$8200

### **Age Adjustment Allowance**

1. 10% of Basic Severance Allowance

$$10\% \times \$8200 = \$820$$

2. Number of years age exceed 40

$$\$820 \times 5 \text{ years} = \$4100$$

(No credit give for 2 months since they are less than 24% of a year)

Age Adjustment Allowance: \$4100

Basic Severance Allowance \$8200

Age Adjustment Allowance +\$4100

Total Severance Pay \$12,300

Total Severance Pay \$12300

$$\div \$400 \text{ per week}$$

$$= 30.75$$

John Doe is entitled to 30.75 weeks of severance pay.

## **BENEFITS**

Employees who are to be separated in a RIF usually are concerned and have many questions about their benefits. Below is a summary of employee benefits and what happens to them upon RIF separation. If you have questions contact your agency Benefits Specialist for additional information.

### **Federal Employees Health Benefits Program (FEHBP)**

Upon separation, you will be covered for 31 days. Within that 31-day period, you will have the opportunity to convert to an individual policy. You are also entitled to Temporary Continuation of Coverage (TCC). This means that you may continue your enrollment for 18 months after separation. During this time, you will be responsible for the full cost, your share, the agency share, and an administrative cost. At the end of the 18 months, you will have 31 days to convert to a

private policy if you wish to do so. If you choose TCC, you must make payments for TCC. Your TCC payments will not be deducted from your severance pay.

### **Federal Employees Life Insurance Program (FEGLI)**

Upon separation, you will be covered for 31 days. Within that 31-day period, you will have the opportunity to convert to an individual policy in an amount equal to or less than the current life insurance. You must bear the entire cost of this individual policy.

### **Annual Leave**

After separation, you will receive a lump-sum payment for all accumulated and current accrued annual leave. Payment for this is usually made on the second regular payday following your separation.

### **Sick Leave**

You do not receive payment for unused sick leave. If you are later reemployed with the Federal government, the amount of sick leave you had upon separation will be re-credited to you. Unused sick leave is also added to the total service of an employee eligible for an annuity under the Civil Service Retirement System (CSRS).

### **Thrift Savings Plan (TSP)**

Upon separation from the Federal service, you become eligible to withdraw your TSP account. The TSP Office will notify you of your account balance and withdrawal options

### **Flexible Spending Accounts (FSA)**

Upon separation from the Federal service, your FSA will terminate as of the date of your separation. There are no extensions. Any health care expenses incurred prior to the date

of separation will still be reimbursable but those incurred after the date of separation will not. Your FSA account balance at the time of separation, will still be available to you for any eligible expenses incurred within the Plan Year. For more information contact FSA Customer Service 1-877-372-3337, or [www.fsafeds.com](http://www.fsafeds.com)

---

## Long Term Care Insurance (LTC)

Upon separation, your coverage will end the period covered by your last premium, after a grace period of 30 days. Your LTC Insurance is fully portable, to continue your LTC Insurance, you must contact LTC Partners to start paying premiums directly or by automatic debit from your bank account. But, you get to keep the insurance at the same premiums as if you never left your agency.

---